THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: January 13, 2026

Subject: Ratification of a funding agreement with Commonwealth Development Corporation (dba Fairhaven Meadows LLC) for the development of affordable housing.

Staff Resource(s): Nikki Reid, Community and Economic Development Director
James Shelton, Community Development Division Manager
Kaylee Pulliam, Community Development Analyst I

Action Requested: Adoption of a resolution to ratify a HOME Subrecipient agreement with Commonwealth Development Corporation (dba Fairhaven Meadows LLC) for the development of the affordable housing project known as Fairhaven Meadows in the amount of $1,305,000.

Background:

- The City of Asheville receives funding from the Department of Housing and Urban Development (e.g. HOME funds).
- The City of Asheville is the participating jurisdiction (PJ) for the Asheville Regional Housing Consortium (ARHC) and allocates federal HOME funds across the four-county consortium footprint to support affordable housing.
- The addition of the HOME funds to the Fairhaven Meadows project did not require a substantial amendment from HUD due to the amount of funds added.
- Located in Brevard, the Fairhaven Meadows project provides 42 units for families at 40-70% AMI (area median income) and has received HOME funding to support the project.
- Previous Council resolutions have approved a total of $1,159,924 in HOME funds for this project, however the final contract amount equals $1,305,000. The remaining $115,076 gap was funded by a combination of HOME Program Income (PI) and administrative funds, which HUD has authorized, however, Council approval was not obtained for the final amount.
- A funding agreement in the amount of $1,305,000 was executed, however CED staff has identified a lack of formal Council authorization for $115,076 of the total funding amount.
- Staff is seeking approval to ratify the contract for the full and final amount of $1,305,000.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- Quality Affordable Housing

Committee(s):

- May 21, 2025 - the Asheville Regional Housing Consortium voted to approve additional funding for Fairhaven Meadows for a total $1,275,000.
- August 27, 2025 - The Consortium was updated on the total amount of $1,305,000.

Pro(s):

- Funding supports the construction of affordable rental housing in the Asheville Regional Housing Consortium service area.

Con(s):

- None noted.

Fiscal Impact:

- $1,305,000 in federal HOME funding to support the development of affordable housing is available.

Suggested Motion:

- Motion to adopt a resolution ratifying a HOME Subrecipient agreement with Commonwealth Development (DBA Fairhaven Meadows, LLC) in the amount of $1,305,000; and authorizing the City manager to execute any contract amendments necessary to give effect to this resolution.

Attachment(s):

- Resolution

RESOLUTION NO. 26-____

RESOLUTION RATIFYING A HOME SUBRECIPIENT AGREEMENT WITH COMMONWEALTH DEVELOPMENT DBA FAIRHAVEN MEADOWS, LLC FOR THE FAIRHAVEN MEADOWS PROJECT AND AUTHORIZATION FOR CITY MANAGER TO EXECUTE ANY AMENDMENTS NECESSARY TO GIVE EFFECT TO THIS RESOLUTION.

WHEREAS, Fairhaven Meadows is an affordable housing complex in Brevard, North Carolina; and

WHEREAS, City Council previously authorized a funding agreement utilizing Federal HOME funds via Resolution No. 24-167 for $158, 270, and Resolution No.23 -103 for $350,000 and Resolution No. 22-148 for $500,000, as recommended by the Asheville Regional Housing Consortium; and

WHEREAS, the above-referenced resolutions have approved a total of $1,159,924 in HOME funds for this project, however the final contract amount, equals $1,305,000; and

WHEREAS, the remaining $115,076 gap was funded by a combination of HOME Program Income (PI) and administrative funds, which HUD has authorized and which was reported to the Housing Consortium, however, Council approval was not obtained for the final amount; and

WHEREAS, clarification is needed to confirm the total approved contract amount for the HOME Subrecipient agreement with Fairhaven Meadows, LLC for Fairhaven Meadows from May 5th, 2025 is $1,305,000;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The HOME Subrecipient agreement with Commonwealth Development DBA Fairhaven Meadows, LLC for the Fairhaven Meadows Project, dated May 5th, 2025 in the amount of $1,305,000, is hereby ratified; and the City Manager is authorized to execute any amendments necessary to give effect to this resolution.

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

City Clerk

Mayor

Approved as to form:

City Attorney